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Mineral Industry Surveys

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ZINC IN FEBRUARY 2006

Domestic mine production (recoverable) of zinc in February 2006 of 51,400 metric tons (t) was about 12% less than that in January 2006 and about 8% less than that in February 2005, according to the U.S. Geological Survey. Estimated smelter production of 19,000 t of refined zinc was about 10% less than that in January 2006 and about 26% less than that in February 2005. Apparent consumption of 91,400 t of zinc was about 7% higher than that in January 2006 and 11% more than that in February 2005.

The Platts Metals Week average composite price for North American Special High Grade zinc increased to 106.84 cents per pound in February 2006. The price was 6% (5.88 cents per pound) higher than in January 2006 and 66% (42.35 cents per pound) higher than in February 2005. The average London Metal Exchange Ltd. (LME) cash price increased to $2,218.90 per metric ton of zinc, a 6% increase compared with the January 2006 price, and 67% higher than that in February 2005. During February, global LME zinc stocks dropped by 43,575 t to 327,225 t.

Shenzhen Zhongjin Lingnan Nonfemet Co. Ltd., China's third leading zinc producer, announced that it had restarted its Shaoguan smelter in February, after renovating the waste treatment systems and passing an inspection for compliance with government environmental standards (the smelter had been closed since December 2005 following a toxic spill). The smelter had the capacity to produce 160,000 to 170,000 metric tons per year (t/yr) of zinc (Metal-Pages, 2006§[1]). The company's combined output for zinc and lead ingot was expected to decline in 2006 by about 25% to 200,000 t (CRU International Ltd., 2006b).

Urals Mining and Metals Co. (UGMK) (Sverdlovsk region, Russia) planned to invest around $380 million in the construction of a new zinc smelter. The plant would have a capacity of 140,000 t/yr of refined zinc, which would more than double the company's zinc smelting capacity (CRU International Ltd., 2006a).

The Defense National Stockpile Center aggregated cash disposal (sale) of zinc in February, under the monthly Basic Ordering Agreement DLA-Zinc-004, was 526 t (approximately 580 short tons), with an approximate value of $1.22 million (Defense National Stockpile Center, 2006).

[1]A reference that includes a section mark (§) is found in the Internet Reference Cited section.

References Cited

CRU International Ltd., 2006a, CRU Monitor—Lead and zinc concentrates: CRU International Ltd., March, 12 p.

CRU International Ltd., 2006b, CRU Monitor—Zinc: CRU International Ltd., March, 12 p.

Defense National Stockpile Center, 2006, Stockpile announces zinc BOA sales for January 2006: Fort Belvoir, VA, Defense National Stockpile Center news release, March 6, 1 p.

Internet Reference Cited

Metal-Pages, 2006 (February 23), Shaoguan smelter starts-up, accessed April 26, 2006, via URL http://metal-pages.com.

TABLE 1
SALIENT ZINC STATISTICS[1]

(Metric tons, unless otherwise specified)

	2005		2006		
	January-December	December	January	February	January-February
Production:					
Mine, zinc content of concentrate	747,000 r	64,700	60,400 r	53,400	114,000
Mine, recoverable zinc	719,000 r	62,300	58,100 r	51,400	110,000
Smelter, refined zinc[2]	259,000	23,700	21,200 e	19,000 e	40,300 e
Consumption:					
Refined zinc, reported	405,000	34,100	34,800	34,500	69,300
Ores[e] (zinc content)	727	61	61	61	121
Zinc-base scrap[e] (zinc content)	191,000	15,900	15,900	15,900	31,800
Copper-base scrap[e] (zinc content)	176,000	14,700	14,700	14,700	29,300
Aluminum-and magnesium-base scrap[e] (zinc content)	1,430	120	120	120	239
Total[e]	774,000	64,800	65,500	65,200	131,000
Apparent consumption, metal[3]	939,000	76,200	85,300	91,400	177,000 [4]
Stocks of refined (slab) zinc, end of period:					
Producer[5]	XX	10,700	6,750 e	5,530 e	XX
Consumer[6]	XX	54,000	54,800	56,900	XX
Merchant	XX	10,200	10,200	10,200	XX
Total	XX	74,900	71,800	72,600	XX
Shipments of zinc metal from Government stockpile	20,400	299	1,890	526	2,410
Imports for consumption:					
Refined (slab) zinc	603,000	65,400	72,700	NA	72,700 [7]
Oxide (gross weight)	103,000	6,190	7,540	NA	7,540 [7]
Ore and concentrate (zinc content)	153,000	3,130	3,410	NA	3,410 [7]
Exports:					
Refined (slab) zinc	782	2	6	NA	6 [7]
Oxide (gross weight)	13,700	887	1,630	NA	1,630 [7]
Ore and concentrate (zinc content)	776,000	10,000	18,100	NA	18,100 [7]
Waste and scrap (gross weight)	50,500	5,410	4,230	NA	4,230 [7]
Price:					
London Metal Exchange, average, dollars per metric ton	$1,381.37	$1,821.44	$2,089.92	$2,218.90	$2,154.41
Platts Metals Week North American Special High Grade, average, cents per pound	67.14	88.01	100.96	106.84	103.90

[e]Estimated. [r]Revised. NA Not available. XX Not applicable.
[1]Data are rounded to no more than three significant digits except prices; may not add to totals shown.
[2]Includes zinc metal used to manufacture zinc oxide.
[3]Smelter production plus imports minus exports plus shipments from Government stockpile plus stock change.
[4]Data based on reported consumption, change in stocks, and estimated trade data.
[5]Data from U.S. Geological Survey and American Bureau of Metal Statistics.
[6]Includes an estimate for companies that report annually.
[7]Includes data through January only.

TABLE 2
REFINED ZINC PRODUCED IN THE UNITED STATES[1,2]

(Metric tons)

Month	Beginning stocks[3]	Production	Shipments	Ending stocks[3]
2005:				
February	4,290	21,200	20,700	4,820
March	4,820	24,100	23,100	5,790
April	5,790	22,000	20,900	6,810
May	6,810	21,500	22,000	6,360
June	6,360	18,100	16,400	8,070
July	8,070	20,200	20,900	7,400
August	7,400	20,500	21,000	6,960
September	6,960	19,900	22,500	4,390
October	4,390	22,600	23,000	4,010
November	4,010	24,600	24,500	4,040
December	4,040	23,700	22,200	5,590
January-December	XX	259,000	258,000	XX
2006:				
January	5,590	21,200 [e]	20,100 [e]	6,750
February	6,750	19,000 [e]	20,200 [e]	5,530
January-February	XX	40,300 [e]	40,300 [e]	XX

[e]Estimated. XX Not applicable.
[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Includes zinc metal used to manufacture zinc oxide.
[3]Includes stocks held at locations other than smelters.

Sources: U.S. Geological Survey and American Bureau of Metal Statistics.

TABLE 3
APPARENT CONSUMPTION OF REFINED ZINC ACCORDING TO INDUSTRY USE AND PRODUCT[1]

(Metric tons)

	2005		2006		
Industry and product	January-December[2]	December	January	February[2]	January-February
Galvanizing:					
Sheet and strip	392,000	31,900	35,600	38,200	73,900
Other	121,000	9,500	11,300	12,700	24,100
Total	513,000	41,500	47,000	50,900	97,900
Brass and bronze	147,000	12,000	13,400	14,100	27,500
Zinc-base alloy	203,000	16,400	18,200	19,300	37,500
Other uses[3]	76,900	6,300	6,800	6,900	13,700
Grand total	939,000	76,200	85,300	91,400	177,000

[1]Data are rounded to no more than three significant digits; may not add to totals shown.
[2]Data based on reported consumption, stocks, and estimated trade data.
[3]Includes zinc used in making zinc dust, desilvering lead, powder, alloys, anodes, chemicals, castings, light metal alloys, rolled zinc, and miscellaneous uses not elsewhere specified.

TABLE 4
AVERAGE ZINC PRICES[1]

Period	North American ¢/lb.	LME[2] cash ¢/lb.	LME[2] cash $/t
2005:			
February	64.49	60.14	1,325.81
March	66.49	62.47	1,377.33
April	63.03	58.96	1,299.81
May	60.46	56.39	1,243.23
June	61.73	57.85	1,275.33
July	57.96	54.16	1,194.08
August	62.94	58.88	1,298.05
September	67.89	63.37	1,397.08
October	72.66	67.49	1,487.91
November	78.47	73.06	1,610.61
December	88.01	82.62	1,821.44
January-December	67.14	62.66	1,381.37
2006:			
January	100.96	94.80	2,089.92
February	106.84	100.65	2,218.90
January-February	103.90	97.72	2,154.41

[1]Special High Grade.
[2]London Metal Exchange.

Source: Platts Metals Week.

TABLE 5
U.S. EXPORTS OF ZINC[1]

Material	2005 Quantity (metric tons)	2005 Value (thousands)	January 2006[2] Quantity (metric tons)	January 2006[2] Value (thousands)
Refined (slab) zinc	784	$1,500	6	$8
Ore and concentrate (zinc content)	786,000	477,000	18,100	7,100
Waste and scrap (gross weight)	56,000	62,000	4,230	5,130
Powders, flakes, dust (zinc content)	9,310	18,500	920	1,530
Oxide (gross weight)	14,600	23,600	1,630	2,120
Chloride (gross weight)	1,860	2,310	81	80
Sulfate (gross weight)	2,820	1,870	154	95
Compounds, other (gross weight)	1,130	887	24	55

[1]Data are rounded to no more than three significant digits.
[2]Data for February 2006 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 6
U.S. IMPORTS FOR CONSUMPTION OF ZINC[1]

Material	2005 Quantity (metric tons)	2005 Value (thousands)	January 2006[2] Quantity (metric tons)	January 2006[2] Value (thousands)
Refined (slab) zinc	668,000	$875,000	72,700	$111,000
Ore and concentrate (zinc content)	156,000	117,000	3,410	3,610
Waste and scrap (gross weight)	9,580	8,820	1,180	1,220
Powders, flakes, dust (zinc content)	23,400	46,000	1,660	3,720
Oxide (gross weight)	109,000	127,000	7,540	11,500
Chloride (gross weight)	723	1,250	55	50
Sulfate (gross weight)	31,100	16,600	3,130	1,850
Compounds, other (gross weight)	7,010	6,370	1,370	815

[1]Data are rounded to no more than three significant digits.
[2]Data for February 2006 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 7
SHIPMENTS OF ZINC METAL FROM THE NATIONAL DEFENSE STOCKPILE[1]

(Metric tons)

Period	Beginning inventory	Shipments	Ending inventory
2005:			
February	66,300	738	65,600
March	65,600	--	65,600
April	65,600	220	65,400
May	65,400	301	65,100
June	65,100	2,960	62,100
July	62,100	2,600	59,500
August	59,500	3,680	55,800
September	55,800	3,710	52,100
October	52,100	3,010	49,100
November	49,100	2,830	46,300
December	46,300	299	46,000
January-December	XX	20,400	XX
2006:			
January	46,000	1,890	44,100
February	44,100	526	42,600
January-February	XX	2,410	XX

XX Not applicable. -- Zero.

[1]Data are rounded to no more than three significant digits; may not add to totals shown.

Source: Defense Logistics Agency.

TABLE 8
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY[1,2]

(Metric tons)

Material and country	General imports		Imports for consumption	
	2005	2006 January	2005	2006 January
Ore and concentrate (zinc content):				
Australia	8,590	--	8,590	--
Ireland	13,000	--	13,000	--
Mexico	27,300	2,850	27,300	2,850
Peru	104,000	--	104,000	--
Other	2,900	565	2,900	565
Total	156,000	3,410	156,000	3,410
Blocks, pigs, or slab:				
Australia	1	--	24,600	6,420
Brazil	43,700	917	43,800	917
Canada	439,000	48,400	439,000	48,400
China	15	--	2,140	1,800
Japan	--	--	1,210	298
Korea, Republic of	5,030	--	8,710	5,660
Mexico	147,000	8,990	147,000	8,990
Peru	235	--	834	201
Other	1,320	--	1,770	--
Total	636,000	58,300	668,000	72,700
Dross, ashes, fume (zinc content)	15,800	2,080	15,800	2,080
Grand total	807,000	63,800	840,000	78,200
Oxide (gross weight):				
Canada	62,000	4,590	62,000	4,590
China	173	--	173	--
Italy	15,400	--	15,400	--
Japan	1,080	61	1,080	61
Mexico	24,100	2,470	24,100	2,470
Netherlands	4,450	181	4,450	181
Other	2,040	237	2,040	237
Total	109,000	7,540	109,000	7,540
Other (gross weight):				
Waste and scrap	9,580	1,180	9,580	1,180
Sheets	3,630	229	3,630	229
Powders, flakes, dust (zinc content)	23,400	1,660	23,400	1,660

-- Zero.

[1]Data are rounded to no more than three significant digits; may not add to totals shown.

[2]Data for February 2006 were not available at time of publication.

Source: U.S. Census Bureau.